OBSERVATIONS

ON THE

COMMUTATION PROJECT.

BY

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WITH

A SUPPLEMENT.

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INTRODUCTION.

HAVING for ſome time paſt perſuaded myſelf that the miſtakes which prevail in this country reſpecting our vaſt concerns in Aſia, are too cloſely interwoven with political intereſts and prejudices to be removed by argument, I ſhould not now have troubled any perſon with my opinions on the ſubject of the few following ſheets, could I have longer juſtified *ſilence* to my own mind; but as theſe opinions, *ſhould they be rightly founded*, require the moſt immediate attention, to delay giving them to the public would be to deſerve the reproaches of every man; and in-

deed, the *China* trade of which I am about to ſpeak, is perfectly diſtinct in its nature, intereſts, and operation in this country, from that of our poſſeſſions in *India*.

I ſubmit to the public the following obſervations, as I at firſt drew them up for the purpoſe of fixing the attention of thoſe who poſſeſſed every means of information, to what appeared to me to be the true intereſt of this country. The Commutation ſcheme always has, in my opinion, (an opinion formed long probably before the preſent miniſter had ever ſeen the ſcheme,) contained *this falſe and dangerous policy*; it pledged the Miniſter and the Eaſt India Company to the people of England, not to exerciſe judgment and diſcretion in the conducting a buſineſs which of all that could be undertaken required themoſt of both

both; the event will perhaps juſtify this opinion.

I find it neceſſary on publiſhing, to add an explanatory ſupplement; the whole I have made as ſhort as the moſt indolent reader can wiſh, though I hope ſufficiently long to anſwer the purpoſe intended. Be the determination of miniſters what it may, I can have no intereſt in the buſineſs but in common with every man who has any property in Great Britain.

OBSERVATIONS, &c.

NO man could have more earneſtly wiſhed for alterations in the duties on tea than myſelf, but the Commutation project appeared to me, from the firſt moment it was propoſed, not merely unneceſſary, but big with the greateſt miſchief. A few weeks ago, I received in the country a pamphlet, written by a Director and particular friend of the Miniſter, and one, who by his own account in the pamphlet, appears to have been conſulted. Every line ſerved to convince me that I was not miſtaken, and that the ſubject was thoroughly miſunderſtood. Having communicated my opinions to various people, who have expreſſed themſelves aſtoniſhed at the deluſion they have been led into: to ſave myſelf

ſelf the trouble of *repeating* an explanation of the ſame ſubject, I have thrown the whole upon paper. In ſo doing I have no object to obtain, but the inducing thoſe on whoſe counſels the proſperity of the country muſt depend, to ſeriouſly weigh this important buſineſs before it may be too late.

The paſſion for this foreign article in all orders of people, down to the pooreſt wretch who can ſcarcely pay for bread, is ſo ſtrong, that nothing but the *price* at which it has been ſold, could in any degree controul the moſt immoderate conſumption. A very large proportion of this price has been created by the duties of Cuſtoms and Exciſe ; in ſo much, that the price to conſumers here was from 140 to 180 per cent. (according to the different ſpecies,) higher than the general prices on the Continent : the conveying it, therefore, illegally here, (an operation that might be performed ſeveral times in a twelvemonth with the ſame capital,) ſeems to offer ſo enormous a profit as would lead one to ſuppoſe no legal importation could have taken place. However, ſuch is the vaſt expence, riſk, and dan-

danger which attends ſmuggling, that nearly, if not quite, half the conſumption of this country has been ſupplied by the Eaſt India Company, yielding to the Exchequer upwards of £. 700,000 per annum. The object to be wiſhed for, is to defeat the ſmuggler, and obtain the legal importation of the other half, WITH AS LITTLE INCREASE OF THE GENERAL CONSUMPTION AS THE NATURE OF THE OPERATION WILL ADMIT. Great Britain will then have to pay only the original coſt in China for the commodity; and her own Eaſt India Company, inſtead of other European Companies, will have the benefit of the commerce. But as this deſirable object cannot be obtained without giving to the people of this country *all the legal teas* at a price which the ſmuggler muſt ſink under, the operation involves *intereſts* of a magnitude far greater than any perſon, unaccuſtomed to think on the ſubject, can readily conceive; and, (if I am to judge by the pamphlet I have alluded to,) intereſts of which the ſlighteſt conception ſeems not to have been formed by thoſe on whoſe knowledge we are to rely. To carry this meaſure into any happy effect,

it has always appeared to me, that great knowledge of the buſineſs, much temper, judgment, firmneſs, perſeverance, and integrity, would be required. I am ſorry to ſay, that ſome of the former of theſe requiſites appear to have been wanting in the conductors and adviſers of the preſent project of commutation. I do not think I ſhall ſtate it too ſtrongly, by ſaying, that a Tax has unneceſſarily been laid, highly injurious to property; and that in conſequence of having laid this Tax, a kind of neceſſity has been induced, to atone to ſuffering individuals by a moſt pernicious ſacrifice of the intereſts of the kingdom, the extent of which cannot at preſent be even gueſſed at.

This foreign article, the conſumption of which in *any* degree is not beneficial, but which has been thought the leſs evil, from its being the means of raiſing a large *revenue* to the Exchequer, paid without any murmuring; and which revenue might have been improved, and the ſmuggler equally well defeated. This foreign article has been controuled in its conſumption by the prices

at

at which it has been ſold previous to the late alteration, to about 12 or 13 millions of pounds. I mention *this quantity*, in conformity with the report of the Committee on Smuggling of the Houſe of Commons, though I am myſelf ſtrongly inclined to think that the fictitious ſort of tea, (vulgarly called ſmouch) which was made in this country, was not only a ſubſtitute for the foreign, but had actually driven vaſt numbers of the middling and lower claſſes of people from the uſe of tea altogether, and had really brought it into diſcredit. The legal teas have been given to the Dealers by the Eaſt India Company, on an average of ten years, at the following *prices*, including the duties of Cuſtoms and Exciſe .—

	s.	*d.*		Of which the duties amounted to nearly per lb.	*s.*	*d.*
Bohea, per lb.	4	$3\frac{3}{4}$		ditto	2	$6\frac{855}{1000}$
Congou, ditto	6	$10\frac{1}{4}$		ditto	3	$8\frac{555}{1000}$
Souchong, ditto	8	$0\frac{7}{8}$		ditto	4	$3\frac{113}{1000}$
Singlo, ditto	6	$8\frac{1}{2}$		ditto	3	$7\frac{755}{1000}$
Hyſon, ditto	11	$10\frac{3}{8}$		ditto	5	$11\frac{666}{1000}$

Theſe

Theſe prices muſt of courſe have regulated to the conſumers in general the prices of tea, as the dealer ſells his legal and illegal tea without diſtinction. The difference therefore between this fixed price here, and the price the ſmugglers can get tea for on the Continent of Europe, yields the means of carrying on the buſineſs. The profit muſt be divided between the ſmuggler and the dealer, as the latter will not prefer the illegal to legal tea, at the riſque that attends it, without conſiderable advantage, the quantities ſold by the ſmuggler perſonally to the conſumer is not very material.

	The price here.	The price on the Continent.	Difference of prices.	per cent. profit.
	s. *d.*	*s.* *d.*	*s.* *d.*	
Bohea,	4 $3\frac{3}{4}$	1 6	2 $9\frac{3}{4}$	180
Congou,	6 $10\frac{1}{4}$	2 6	4 $4\frac{1}{4}$	176
Souchong,	8 $0\frac{7}{8}$	3 3	4 $9\frac{3}{8}$	145
Singlo,	6 $8\frac{1}{2}$	2 8	4 $0\frac{1}{4}$	152
Hyſon,	11 $10\frac{1}{8}$	5 0	6 $10\frac{7}{8}$	140

The profit in the ſmuggling trade appears, by the above ſtatement, to have been enormouſly great; eſpecially as the ſame capital would

would do for ſeveral operations in a twelve-month, and as half the conſumption was, notwithſtanding, left to the Eaſt India Company: it proves that vaſt profit was neceſſary, and that the throwing down to the extent that has been done, the only barrier to an immoderate and pernicious conſumption of this luxurious article, was unneceſſary.

This year, when the ſmuggler, from having advantages he can never again poſſeſs, muſt have imported ſome millions of pounds;* when the Eaſt India Company not being prepared for ſuch an undertaking, either with ſorts or quality, was forced to give the public *old* as well as *new* teas; and when the moſt formidable combinations were of courſe made to keep up prices, and when many other circumſtances have prevented the Teas being at the level they muſt ſoon come to, exonerated from duties, we have ſeen the

* The foreign Companies having imported from China, tea for the Engliſh ſmuggler, were under the neceſſity of giving it him at any price, even as low as the coſt in China; a trade which of courſe could not long continue. Mr. Baring in his pamphlet, ſays, "That every place the ſmuggler could have acceſs to was glutted."

legal

legal ſales rapidly advance, from ſix to ſixteen millions of pounds, in the manner following :—

	lb.	lb.	*Increaſe.*
Bohea,	3,343,589	6,076,620	not double.*
Congou,	695,870	2,870,719	four times.
Souchong,	99,562	635,866	ſix times.
Singlo,	1,843,981	5,036,363	three times.
Hyſon,	375,140	1,533,102	four times.
	6,358,142	16,152,670	

* The coſt of tea in China is nearly as under, without allowing for the effect of the increaſed demand; by adverting to the proportional value of each ſort, the conſequence of raſhly throwing down the prices, and inducing thereby a conſumption of the finer for the more ordinary ſorts, will be ſeen.

		s.	d.	
Black Tea,	Bohea, — —	0	9	per pound.
	Congou, — —	1	3	ditto.
	Souchong, — —	1	10½	ditto.
Green Tea,	Singlo, including all ſorts below Hyſon,	1	3½	ditto.
	Hyſon, — —	2	6 to 3	0 do.

We

We ſee by this account that the encreaſe has been out of all proportion greateſt on the finer claſſes of tea, and will in future be more ſo, *though with reſpect to the ſmuggler*, the alteration infinitely affects the bohea moſt, as that part of the duties, one ſhilling and one peny halfpeny per lb. operates on the price on the Continent in the manner following:

Bohea,	75 per cent;
Congou,	45
Souchong,	35
Singlo,	40
Hyſon,	22

The encreaſe ariſes therefore from decreaſing the prices of the more palatable beverage; more than half the conſumption of this country conſiſted of black bohea tea, a liquor, which though equally wholeſome, is ſo unpleaſant, that it is not eaſy to conceive how it could be ſwallowed, and yet this ſort could not be had unadulterated much under five ſhillings per pound. When the full effect of the preſent ſyſtem has taken place, a moſt

moſt delicious liquor, hyſon, will be ſold for little more than that price, and the intermediate ſorts all proportionably low. After having ſtated theſe circumſtances, let us weigh the conſequences. In this country, where almoſt every perſon who eats bread (I fear I may add, and even thoſe who cannot) drink tea perpetually, what is likely to be the conſumption in point of *quantity*, and what is of as ſerious conſideration, of *quality*, and then advert to the ſum the nation muſt pay to China,* I fear it will be found infinitely the greateſt proportion in ſilver. With reſpect to the great ſtaple articles, cloth and lead,

* A few weeks ago, having occaſion to viſit an eſtate in Glouceſterſhire, I obſerved in a ſmall market town that the number of Tea Dealers had increaſed in the laſt year from two to five: On my ſaying to one of the former Dealers that he probably ſuffered from ſo many rivals in his trade; he told me, that at preſent he had not felt it, for that he had ſold more Tea in the laſt year than ever he had done before: he ſuppoſed that three times the uſual quantity had been conſumed. This was at a part of the country to which the ſmuggler never had any perſonal acceſs; the whole of the Teas conſumed, whether legally or illegally imported, paſſed through the hands of the Dealers. I very much wiſh that gentlemen, when they viſit their eſtates in the *inland* counties, would make the ſame enquiries.

if

if any advantage could be obtained by ſending them to China, the alteration in the tea trade makes little or no variation in the circumſtances, as we have always been under the neceſſity of either ſending ſilver, or taking money in China for bills at a very diſadvantageous exchange. If cloth could have been ſubſtituted, there has been always ample field for doing it; but the fact is, that beyond a limited quantity, it will be found to be a moſt extravagant price to pay by barter for tea, lead amounts to nothing; a thouſand ton is in value, but fifteen or ſixteen thouſand pounds. In fact, if you will have the tea, your only reſource will be ſilver from this country, or the draining of bullion from our ſettlements in India, by the Company, or by their ſervants, remitting their fortunes to China for bills on England, a practice that has already greatly accelerated the deſolation of that unhappy country, and which cannot long continue.

Without any allowance being made for the prodigious alteration both in quantity and quality of the teas that muſt in future be purchaſed in China, and ſuppoſing (what is not

very probable) that the prices do not advance in that country, and that the whole conſumption of Great Britain ſhould never exceed 24,000,000 lb.* (I fear it will greatly) and ſuppoſing the ſorts to be in the proportion as they form the ſixteen millions of this year (though it is more probable the proportions of the finer ſorts will greatly increaſe); with theſe ſuppoſitions, the amount of what Great Britain will have to pay as an annual tribute to China for this *article alone*, excluſive of ſilks, nankeens, china, &c. &c. will exceed the ſum of £. 1,600,000, and to carry on this traffic, a capital of many millions will be required from the public. Before the late project took place, the legal ſales of tea had amounted on an average of years to

* The legal quantity ſold this year, with the ſmuggled tea, amounts to upwards of 20,000,000 lb. the full effect of the ſyſtem cannot be felt under three or four years.

Bohea,

	lb.	For which this country paid in China, £.
Bohea,	3,343,589	125,384
Congou,	695,870	43,486
Souchong,	99,562	9966
Singlo,	1,843,981	117,844
Hyſon,	375,140	46,892
*	lb. 6,358,142	£. 343,572

The ſmuggler, it is ſuppoſed, imported an equal quantity; and we will ſay nearly in the ſame proportions, though his profit on Bohea was 30, 40, and 50 per cent. higher than on the other ſorts; and indeed this tea is infinitely better adapted for his purpoſes, as it would bear any package without injury, which is not the caſe with green teas; we might therefore conclude that his buſineſs lay chiefly in the low tea.

* Part of the tea imported by the Company, was exported for the drawbacks, and ſmuggled in again; but that makes no difference in the queſtion of what Great Britain paid for the commodity.

	lb.	s.	d.	£.
Bohea,	3,400,000	1	6	255,000
Congou	700,000	2	6	87,500
Souchong,	100,000	3	1	15,416
Singlo,	1,800,000	2	8	240,000
Hyſon,	375,000	5	0	93,750
	lb. 6,375,000			£. 691,666

I am convinced that 691,666l. is a large allowance for the purchaſe of tea by the ſmuggler on the continent of Europe; his profit on that ſum centers here: if therefore we add what the Campany has hitherto paid in China, making together little more than a million, whatever ſum we may have to ſend beyond that million will be an additional drain from this country.

It is a groſs miſtake to ſuppoſe the ſmuggler carried from this kingdom the ſpecie of the country: it was certainly infinitely leſs convenient than bills, and unleſs greatly profitable, he could have no inducement more than any merchants. Smuggling is certainly a pernicious

nicious practice, and I heartily wiſh to ſee it aboliſhed; but we muſt not reckon that the balance of it was wholly againſt us. On the other ſide of the water you will find few merchants that will agree with you, in thinking it was at all ſo; and indeed if we conſider that the French merchants are of ſuch infinite conſequence at our ſales of India piece goods, through the medium of which we are to realize our revenues, and that ſuch goods are prohibited in France unleſs imported from India in their own ſhips, we may have our doubts. But waving theſe arguments, I am of opinion that tea may be given to the conſumer at a price that the ſmuggler * would be ſo completely defeated, that before the end of the ſecond year he would not bring in a pound; and that ſuch price would give to the Exchequer, ſhortly, a ſum far exceeding what it has ever yet received for tea; and would at the ſame time ſerve to check the inordinate conſumption. The Eaſt India Company, tho'

* The preſent duty of 12 1-half, per cent. *ad valorem* on the preſent prices of the Eaſt India Company's ſales, has produced no leſs a ſum than £. 276,040, which plainly evinces what might have been effected by a judicious modification of the duties.

formed of the moſt reſpectable individuals, who in their ſeparate capacity would ſcorn to injure their country; yet as a Company, in their collective capacity, can only conſider the intereſts committed to their charge. That intereſt may lead them to wiſh for conſumption of tea to any amount, and certainly *without duties*, as their *profit*, which is eaſily taken to a conſiderable degree on ſo vaſt a concern unperceived, will be the greater in proportion as the Exchequer relinquiſhes; though indeed by the miſerable policy of the Commutation Act, the Miniſter ſeems pledged to the public that the Eaſt India Company ſhall not take additional profit, or the Exchequer take revenue from tea. It has aſtoniſhed me much, that with the experience of the happy ſucceſs of the experiment of 1744 before our eyes, when by lowering the duties more than one half, the receipt to the Exchequer rapidly advanced from about £. 175,000 per annum, to above £. 700,000 per annum, we ſhould not have thought the experiment worthy of our attention. About the year 1767, an experiment, which from its abſurdity could not ſucceed, was attempted; the ſhilling per pound

exciſe

exciſe was taken from the black teas, on which, from the lowneſs of their value, it bore the hardeſt: but from the infatuation that prevailed at the time, contrary to all the remonſtrances and earneſt entreaties of the few who underſtood and wiſhed well to the buſineſs, and who foretold the conſequences, the Miniſter of the time prevailed on the Proprietors to vote an indemnification to the Exchequer from the Company, for any difference that might ariſe in the amount of the revenue. The event juſtified the prediction, Government thinking they had no intereſt to attend to, neglected thoſe meaſures which alone could give effect to *any alteration* of duties.* During the few months the management remained in the hands of the gentlemen who wiſhed the meaſure to ſucceed, the ſales had a rapid increaſe, but theſe gentlemen being ſupplanted, it was ſoon found that ſpeculators ſtood between the ſales and the conſumer; the price in conſequence raiſed to him, and the ſmuggler had the ſame advantage as before. One

* Obliging the Eaſt India Company to have quick ſucceſſive ſales, of eaſy acceſs to all buyers.

gen-

gentleman, who had been in the Direction, often publicly declared in my hearing, that he had cleared £. 20,000 for his ſhare; and that as a merchant he had a right ſo to do, if the government gave him the opportunity.

I did intend to have made ſome obſervations on the pamphlet publiſhed by Mr. Baring, but it is not my wiſh to do any thing that may appear invidious. His opinion and mine of the Commutation Project certainly differ. We have both given the grounds of theſe opinions; the event muſt determine who reaſons moſt juſtly on the ſubject. Notwithſtanding he admits that from circumſtances peculiar to this firſt year, the ſmuggler has introduced between four and five millions of pounds, that the Company have ſent to the Continent £. 700,000 for the purchaſe of tea, and as much in ſilver to China for future tea, he conceives that a ſum this year has been retained in this country, ſufficient *to tend towards raiſing the price of the lands.* I, on the contrary, think that in no one year Great Britain ever has ſent much more than half the ſum from it, to purchaſe teas for its conſumption, than it has done

done this laſt year, and that the whole operation of the Commutation ſcheme, tends to rapidly ſink the value of the lands in this country. *He* boaſts that the Miniſter has preſented the people this year with the ſum of £. 2,055,462 in the prices of the tea in lieu of the duty on windows, and hopes that it will be more in future years. I lament it as a very baneful preſent, think the duty on windows wholly unneceſſary, and hope that the project will fail from teas not being procurable, and that it will ſink under its own enormity, or at leaſt that our government will apply ſome remedy to the evils which it threatens, though perhaps after this (I may call it) debauch of the people, the remedy may not be ſo eaſy.

In ſhort, to ſum up all the evils ariſing from this project in one view, a partial, oppreſſive tax, has unneceſſarily been laid on property, in a multitude of inſtances utterly deſtructive of it; which tax, by reaſoning on the principle on which the duties on tea ſhould be lowered, we muſt think, cannot be permanently productive, but which, if *now* with-

drawn, may leave a great deficiency in the old revenue from windows. To atone for the ſufferings by this tax, the greateſt national objects have been ſacrificed; a vaſt revenue on a luxury has been thrown away, which might have been even improved to near, or perhaps quite a million ſterling per annum, and the ſmuggler equally defeated. In conſequence of giving up this revenue, ſo enormous a conſumption of this foreign luxury, and of the ſorts in the original coſt moſt expenſive, has been induced in this country, that Great Britain will have a much larger ſum to pay for it than has ever yet been paid, by the Company in China, and through the medium of ſmugglers in Europe. It is likewiſe well worthy of ſerious conſideration, what effect the prodigious increaſe in the uſe of tea, (which chiefly lies among the lower and middling claſſes of the people) may have on the produce of our own ſoil, malt. The one certainly muſt, in a great degree, be a ſubſtitute for the other.

SUPPLEMENT.

THE foregoing *obſervations* were written merely to draw the attention of thoſe who had the means of information in their own hands, to what I conceived to be the proper point in this great national concern, but as further explanation is wiſhed for, I ſhall add a few more for the conſideration of the public, though I might reſt contented in ſaying, that the event will prove the truth or fallacy of my reaſoning.

Firſt then, it will be ſeen by the following account, taken from the Report of the Committee of the Houſe of Commons on Smuggling, and made up at the Eaſt India Houſe, that the importations of tea by all the nations of Europe, on an average of ten years previous to the Commutation Act, (including the private trade) was for one year 19,074,950 pounds weight.

Exported from China in ſeaſon ending in March,		Foreign ſhips.	Containing lbs. of tea.	Engliſh ſhips.	Containing lbs. of tea	Total ſhips.	Total tea: Pounds.
	1772	8	9,407,564	20	12,712,283	28	22,119,849
	73	11	13,652,738	13	8,733,176	24	22,385,914
	74	12	13,838,267	8	3,762,594	20	17,600,861
	75	15	15,652,934	4	2,095,424	19	17,748,358
	76	12	12,841,596	5	3,334,416	17	16,176,012
	77	13	16,112,000	8	5,549,087	21	21,661,087
	78	15	13,302,265	9	6,199,283	24	19,501,948
	79	11	11,302,266	7	4,311,358	18	15,613,624
	80	10	12,673,781	5	4,061,830	15	16,735,611
	81	10	11,725,671	13	7,970,571	23	19,696,242
		117	130,509,482	92	58,730,022	209	
				Private trade tea,	1,450,000		
					60,180,022		
					130,509,482		

Total of tea brought from China by the ſhips of all Europe, lbs. 190,689,504

The average for one year 19,068,950

N. B. The ſhips the Foreign Companies employ in the China trade are infinitely larger than thoſe employed by the Engliſh.

By Mr. Baring's account, derived from the beſt quarter for information, the Eaſt India Houſe, it appears, that with the tea which (from circumſtances peculiar to the firſt year) was ſmuggled, and the amount of legal ſales, that Great Britain took the laſt year above 20,000,000 lb. from its own ſtores and the ſtores of Europe; if we weigh attentively the circumſtances I have ſtated in the former part of my obſervations, and conſider that when the Company have imported freſh teas of the *ſorts demanded*, and given them to the public at the prices the preſent ſyſtem aims at, we muſt think that the conſumption will in a very few years be vaſt indeed, and of ſorts ſo coſtly, as to make the ſum required of this country for the purchaſe enormouſly great, and infinitely the greater proportion in ſilver.

Foreign ſhips, it is ſaid, have ſince the foregoing account was given in, rather increaſed their imports, (though part of thoſe imports, viz. by American ſhips, can no way concern our ſmuggling trade) *this* circumſtance, more than all others, required our proceeding with great *judgement* and *temper* in the plan to be

adopted for abolishing the smuggling of *tea*, as the smuggler can in *this article* have no resource but in the foreign East India Companies, the great point to be obtained by *lowering* duties, is either to leave the tea they have imported beyond the consumption of their respective countries on their hands unsold, or oblige them to give it at such prices, as may take away all inducement to cross the globe for more. The rashness of the commutation system has *suddenly created* a market for *all their tea*, and lest it should not have found its way to that market, our East India Company have bought to the amount, it is said, of 15,000,000 pounds; but for the impetuous demand in England, arising from the *commutation principle*, the Directors would probably have considered, that they could be justified in buying tea on the Continent of Europe, no longer than the Foreign Companies were under the necessity of giving it at prices that left no encouragement to bring more.

All the ships of Europe are obliged to receive their *cargoes of tea* at one *port* in China; the quantity and sorts which each ship takes is pretty

pretty exactly known; we likewiſe know nearly at what expence the Foreign Companies can bring it to Europe: *at preſent* they have perhaps ſome advantage in freight, but the Engliſh Company command the market in China, and have the advantage of capital; it will be found on the whole that our Company may bring tea to this country from China, and *deliver it as cheap*, as the Foreign Companies can bring it and *deliver it in their reſpective countries*; it remains to conſider *what may be taken in duties*, without enabling the ſmuggler to defy the laws of his country, and encounter all the expence, difficulties and dangers of his trade; whatever it may be, he muſt *divide it with the dealer or conſumer* (the quantity the latter takes immediately from him is comparatively trifling); the profit has been for ſome years from 140 to 180 *per cent.* (the part the duties conſtituted of that profit was from 125 to 166,) with this great profit *ſo divided*, I am informed, and from no bad authority, that taking every conſideration of his loſſes and expences, the ſmuggler has not very largely benefited by this part of his trade; but ſuppoſe by lowering duties, the profit

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on the trade reduced to 45 or 50 *per cent.* it will ſoon be found that the ſmuggler can no more proceed, than if you leave him the preſent 12 one-half, and ſhould ſuch a duty be attended with the happy conſequence of checking the future conſumption to the quantity legally ſold this year, viz. 16,000,000 pounds, the receipt to the Exchequer would be worth a million ſterling, (the 12 one-half *per cent.* on that quantity yielded this year £. 276,040) ſhould it not check the conſumption to that quantity, the Exchequer would receive in proportion on the increaſe, and all it received would in every point of view be a benefit to the nation.—Should further proof be required of the truth of the above arguments, let us advert to what has happened this laſt year: Mr. Baring ſays, page 31, "It will be found, that previous to the paſſing of the act, the quantity of congou tea "delivered, upon an average of ten years, "amounted to no more than 695,870 lb. and "of ſouchong to 99,562 lb. whereas there "were ſold within twelve months after the "act paſſed, of congou 2,870,719 lb. and of "ſouchong 635,866 lb. which are conſider-

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" ably more than the proportion upon " the whole ſales, and notwithſtanding the " average price of congou has puſhed up to " 4 *s.* 8 *d.* $\frac{16}{100}$ per lb. by ſpeculation, yet the " Directors have invariably offered it at 2 *s.* " 5 *d.* per lb. and the ſouchong, which has " been puſhed up to 5 *s.* 10 *d.* $\frac{14}{100}$ per lb. was " offered by the Directors at 3 *s.* per lb. *the* " *Directors therefore have done their duty in en-* " *deavouring by every means in their power to* " *reduce the prices paid by the publick.*"—It appears by this account that the ſpecies of tea, the fine black, the *congou* and *ſouchong*, of which in future years the conſumption is likely to be very large indeed, and of which the Company will probably be able to procure any quantities, as being the ſorts in general uſe over that vaſt empire of China, have been actually ſold this laſt year at the Eaſt India Houſe, at prices that have, under great diſadvantages, ſo defeated the ſmuggler, that the *legal* ſale of thoſe articles increaſed, on one four, and the other ſix fold, and ſuch prices have given the Company 90 *per cent.* more than they required, and 52 *and* 56 *per cent.* more than they have ever received on

their ſmall former ſales, though the freight during the larger part of the period the calculation was made in, was by the late war advanced to be a moſt enormous charge on the article. The Companies *extra profit* on theſe two ſorts this year, amounted to £. 190,818 (excluſive of the advantage of quick return). I do not mention this circumſtance as wiſhing the profit to have been leſs, on the contrary, as long as the Miniſter may think tea an improper object for taxation, I heartily wiſh the Company to take more profit on all their tea, in defiance of commutation. There are people who think that all conſequences conſidered, that the duties on tea had better remained as they were, but I have met with no perſon who does not agree with me in thinking, that lowering the price of tea beyond what is abſolutely required to defeat the ſmuggler, and inducing thereby an unneceſſary conſumption of this foreign luxury, is the moſt abſurd policy that could be adopted; in ſhort, the queſtion to be decided is this, whether a trade in its nature unbeneficial, but which muſt be continued, (for if the Eaſt India Company ſhould not ſup-

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ply tea, the ſmuggler will) ſhall on the principle of the Commutation Project, be made the *greateſt evil*, or on a judicious management of duties, the *leaſt evil* poſſible to this country?

I ſubjoin the following accounts for the uſe of thoſe who may wiſh to conſider the ſubject in various points of view;

	The prices of tea in China per pound weight.	The prices of tea at the East India Company's sales on an average for ten years past, including the duties of Excise and Custom, and the discount deducted.	The proportion of that price constituted by the duties of Excise and Custom.	The net money received by the East India Company for the tea, including the war freight and all charges.
	s. d. d.	s. d.	s. d.	s. d.
Bohea,	0 8 or 9	— 4 $3\frac{3}{4}$ —	— 2 $6\frac{85}{100}$ —	— 1 $8\frac{35}{100}$
Congou,	1 3 -	— 6 $10\frac{1}{4}$ —	— 3 $8\frac{55}{100}$ —	— 3 $1\frac{70}{100}$
Souchong	1 $10\frac{1}{2}$ -	— 8 $0\frac{1}{4}$ —	— 4 $3\frac{13}{100}$ —	— 3 $9\frac{74}{100}$
Singlo, including in that description all green tea below Hyson	1 $3\frac{1}{2}$ -	— 6 $8\frac{1}{2}$ —	— 3 $7\frac{75}{100}$ —	— 3 $0\frac{85}{100}$
Hyson,	2 6 -	— 11 $10\frac{1}{2}$ —	— 5 $11\frac{66}{100}$ —	— 5 $10\frac{36}{100}$

	The net prices received by the Engliſh Eaſt India Company (excluſive of duties of Exciſe and Cuſtoms,) with war freights, &c. as appear by the foregoing table, per pound weight.	The preſent duty of 12½ per cent. is per pound weight on thoſe prices.	Old duties per pound weight, as caſt on former prices.	The proportion the new duty bears to the old duties, *is nearly* as under.
	s. *d.*	*s.* *d.*	*s.* *d.*	
Bohea,	1 $8\frac{35}{100}$ —	— 0 $2\frac{62}{100}$ —	— 2 $6\frac{85}{100}$ —	— 11th part.
Congou,	3 $1\frac{70}{100}$ —	— 0 $4\frac{71}{100}$ —	— 3 $8\frac{53}{100}$ —	— 9th ditto.
Souchong,	3 $9\frac{74}{100}$ —	— 0 $5\frac{72}{100}$ —	— 4 $3\frac{13}{100}$ —	— 9th ditto.
Singlo,	3 $0\frac{75}{100}$ —	— 0 $4\frac{39}{100}$ —	— 3 $7\frac{75}{100}$ —	— 9th ditto.
Hyſon,	5 $10\frac{36}{100}$ —	— 0 $8\frac{87}{100}$ —	— 5 $11\frac{66}{100}$ —	— 8th ditto.

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	East India Commpany's price for Tea, ſuppoſing it the ſame as with war freight for the laſt ten years, including new duty of 12 1-half *per Cent.*	East India Company's price for Tea for the laſt ten years, with the old duties included, *per Pound.*
	s. d.	*s. d.*
Bohea,	1 $11\frac{57}{100}$	4 $3\frac{3}{4}$
Congou,	3 $6\frac{41}{100}$	6 $10\frac{1}{4}$
Souchong,	4 $3\frac{46}{100}$	8 $3\frac{7}{8}$
Singlo,	3 $5\frac{34}{100}$	6 $8\frac{1}{2}$
Hyſon,	6 $7\frac{83}{100}$	11 $10\frac{5}{8}$

The above accounts ſhew the proportion received by the Exchequer and by the Eaſt India Company for *Tea* ſold by the latter in the laſt ten years, viz. from 1774, to 1784; during the larger part of this period the Company have paid enormous *war* freights, and have had very tedious returns of their money to wait for. Mr. Baring (the whole of whoſe information is derived from the officers at the Eaſt India Houſe,) values the quick return on the ſixteen million of pounds ſold laſt year, at 160,000l. By the above table will likewiſe

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be ſeen, the great advance of tea legally ſold for the laſt ten years, on the coſt in China, being on the different ſorts, from 580, to 430 per cent.

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